

EXHIBIT 14

Company pledges to reduce Puerto Rico outages amid anger

By DÁNICA COTO August 24, 2022



SAN JUAN, Puerto Rico (AP) — Persistent power outages and threats from Puerto Rico’s government prompted a company that operates the island’s transmission and distribution system to announce Wednesday that it would dedicate more resources and crews to improve service.

The move came just hours after the U.S. territory’s Senate launched a hearing to analyze the government’s contract with Luma Energy — a consortium made up of Calgary, Alberta-based Atco and Quanta Services Inc. of Houston — amid calls to cancel it.

Among the top officials demanding that the government revoke the contract is Puerto Rico’s Senate President José Luis Dalmau, of the main opposition party, and Jenniffer González, Puerto Rico’s representative in Congress and a member of the governor’s party, who said power outages have become “our daily bread.”

Luma said Wednesday that it would increase response brigades by 25% in the next month, remove vegetation covering 20 of the most critical transmission lines, increase inspections of substations — eight of which have caught on fire in the past year — and increase aerial inspections of remote transmission lines.

ADVERTISEMENT

“We have made mistakes. We recognize our faults,” said Duke Austin, president and CEO of Quanta Services.

He said Luma has reduced the duration of outages by one-third, but added that the company can do better.

“I’m not asking for forgiveness or patience,” he said. “I am out of both myself.”

Luma has stressed it is dealing with a power grid whose maintenance the local government neglected for decades and that was razed by Hurricane Maria in September 2017, with reconstruction efforts having started just months ago. Prior to Luma, Puerto Rico’s Electric Power Authority, which is more than \$9 billion in debt, managed the grid’s transmission and distribution.

The ongoing outages have angered many who note that power fluctuations have fried costly appliances and forced them find alternatives to keep life-saving medication cold as Puerto Rico’s Energy Bureau has approved seven electricity rate increases so far this year at Luma’s request.

A day before Luma made the announcement, Gov. Pedro Pierluisi said the company would face consequences if it doesn’t improve its service, although he didn’t provide details of what action he would take.

ADVERTISEMENT

“Time is going by, and my patience is running out,” he said. “Basically, they have to act, and act with a sense of urgency.”

Pierluisi first spoke out against Luma last Thursday, a turnaround for a governor who had persistently defended the company ever since its contract began in June 2021. He said he became upset last week after learning that one recent outage was a result of not pruning vegetation around a main transmission line.

“That is completely unacceptable,” he said.

Meanwhile, Puerto Rico's Energy Bureau issued a report late last week noting there's been an overall increase in the duration of outages per customer every month since January, lasting more than 21 hours at a time. In addition, it stated there has been no improvement in the frequency of interruptions.

The bureau gave Luma and Puerto Rico's Electric Power Authority until Sept. 1 to explain the drop in those and other metrics as it threatened to impose penalties.